



USDA Foreign Agricultural Service

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Australia

Cotton and Products

Quarterly Update

2006

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Report Highlights:

Australian cotton lint production in 2005/06 is forecast at 590,000 MT, up 10,000 MT on Post's previous forecast. The continual improvement in seasonal conditions has seen expectations for the 2005/06 crop continue to improve. This level of production is more representative of production levels prior to the lingering drought, which began in 2002/03.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Quarterly Report
Canberra [AS1]
[AS]

SECTION ONE: SITUATION AND OUTLOOK

General

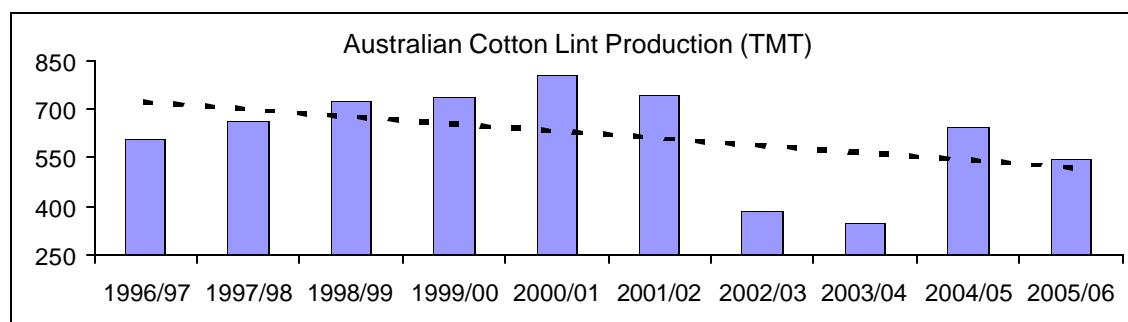
Cotton is planted in Australia from September through to October and harvested from March through to May. The Australian cotton industry is currently recovering from persistent drought and low prices. Expectations for the 2005/06 crop have been steadily improving since very low projections were first made over a year ago.

Production

Australian cotton lint production in 2005/06 is forecast at 590,000 MT, up 10,000 MT on the previous forecast. Seasonal conditions in Australia have improved markedly over the past year in contrast to persistent drought conditions, which began in 2005/06.

Good falls of rain were recorded for the month of February in the key cotton growing regions of northern NSW and Southern Queensland although above average temperatures in January constrained otherwise larger production increases. The Australian cotton industry forecast, which was last issued in December 2005, stands at 572,000 MT.

Estimated cotton lint production for 2005/06 remains unchanged at 645,000 MT, as does production for 2003/04.



Source: ABARE data

Exports

Exports of cotton lint for 2005/06 are forecast at 595,000 MT, up 5,000 MT on Post's previous figure. Increased production is also likely to see an increase in closing stocks for 2005/06.

SECTION TWO: STATISTICAL TABLES

PSD Table Cotton							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		08/2003		08/2004		08/2005	MM/YYYY
Area Planted	0	0	0	0	0	0	(HECTARES)
Area Harvested	196000	198000	314000	321000	310000	320000	(HECTARES)
Beginning Stocks	283262	313527	194648	196216	425220	408589	(MT)
Production	370135	350000	653180	645000	566089	590000	(MT)
Imports	0	109	218	276	0	200	(MT)
MY Imp. from U.S.	0	0	0	0	0	0	(MT)
TOTAL SUPPLY	653397	663636	848046	841492	991309	998789	(MT)
Exports	469636	469636	435889	435119	664066	595,000	(MT)
USE Dom. Consumption	16329	25000	14152	25000	13064	25000	(MT)
Loss Dom. Consumption	-27216	-27216	-27216	-27216	-27216	-27216	(MT)
TOTAL Dom. Consumption	-10887	-2216	-13064	-2216	-14152	-2216	(MT)
Ending Stocks	194648	196216	425220	408589	341395	406005	(MT)
TOTAL DISTRIBUTION	653397	663636	848045	841492	991309	998789	(MT)